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COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUC000035

**Ex Parte: In the matter of third-party
testing of Operation Support Systems
for Bell Atlantic-Virginia, Inc.**

Project Leader Ruling Modifying The Master Test Plan

November 1, 2000

On February 17, 2000, the Commission established this proceeding to conduct third-party testing of the operation support systems ("OSS") for Bell Atlantic-Virginia, Inc., now Verizon-Virginia, Inc. ("Verizon"). Pursuant to the Commission's directives, on May 31, 2000, the Project Leader adopted a Master Test Plan. Nonetheless, at Verizon's request, testing has been delayed awaiting implementation of Verizon's new billing system.

On September 29, 2000, Verizon requested a modification to the Master Test Plan. In its request, Verizon proposed to remove tests for products falling into the following four categories: (i) ISDN products, (ii) xDSL resale products, (iii) digital handoff/DS1 products, and (iv) Business Centrex UNE-P. It is anticipated that with the requested modification to the Master Test Plan, testing could begin on or about the first of November 2000.

On October 2, 2000, the Project Leader issued a Ruling Seeking Comments On Verizon's Requested Modification To The Master Test Plan. In response to this ruling, comments on Verizon's proposal were received from Network Access Solutions, LLC ("NAS"); WorldCom, Inc. ("WorldCom"); ALLTEL Communications, Inc. ("ACI"); Cavalier Telephone, LLC ("Cavalier"); AT&T Communications of Virginia, Inc. ("AT&T"); and the Association of Communications Enterprises ("Ascent"). A brief summary of each of these comments is provided below.

NAS urged the Commission to deny Verizon's request to relieve it from the obligation to test its OSS for the ordering and provisioning of ISDN loops. In support, NAS asserted that most CLECs ordering ISDN loops actually use the loops to provide IDSL service rather than ISDN service. According to NAS, "an ISDN loop is the *only* type of loop over which *any* form of DSL service can be provided technologically today if the loop contains more than 18,000 feet of copper or is provisioned through a digital loop carrier."¹ In addition, NAS submitted that its projected demand for ISDN loops in Virginia should grow substantially over the next two years.

WorldCom stressed the importance of beginning the OSS test in Virginia immediately. WorldCom claimed that any further delay of the Virginia test would seriously impede its ability to enter the residential market in Virginia as it has planned.² Moreover, WorldCom advocated

¹ Comments of NAS at 1.

² Comments of WorldCom at 1.

against the removal of xDSL resale products from the test. WorldCom suggested that Verizon was twisting the FCC's requirements to discriminate in favor of its own data affiliate.³

ACI maintained that ISDN products should not be removed from the Master Test Plan.⁴ ACI stated that it uses ISDN lines as an alternative to xDSL.⁵ Like NAS, ACI projected that its demand for ISDN lines will increase dramatically over the next two years.⁶ Further, ACI expressed concern that the quality of service provided by Verizon to its wholesale ISDN customers would decline if the Commission removed ISDN products from the Master Test Plan.⁷

Cavalier concurred with the comments filed by NAS. In addition, Cavalier stated that "it would order more ISDN loops from Verizon if Verizon provided access to lines served by integrated digital line carriers."⁸ Also, Cavalier argued that the resale of xDSL service should not be eliminated from the test. Cavalier pointed out that whether Verizon's data affiliate will be subject to a resale obligation is an open issue, with cases pending before both the Commission and the FCC. Finally, Cavalier pointed out that digital handoff/DS1s is not defined in the Master Test Plan. Therefore, Cavalier recommended "that Verizon should not be relieved of any testing obligations with respect to these DS1s without some further definition of what exactly Verizon proposes to remove from the Master Test Plan."⁹

AT&T argued that Verizon's proposed revision to the Master Test Plan "should be rejected out of hand."¹⁰ AT&T found Verizon's recommendations for the removal of low volume or low demand products to be flawed and irrelevant to its obligation under the Telecommunications Act of 1996. As to ISDN products, AT&T contended that Verizon's own data show sufficient demand and growth for inclusion in the test. Indeed, AT&T speculated that Verizon may be attempting to escape a test with which it has had difficulty in other states.¹¹ Regarding resale of xDSL products, AT&T contends that elimination of these products from the test "is premature at best."¹²

If changes are made to the Master Test Plan, AT&T offered two changes to the Master Test Plan and one change to the Metrics. The first change to the Master Test Plan proposed by AT&T is to require a root cause analysis to be conducted for any problem uncovered during the test.¹³ The second change to the Master Test Plan requested by AT&T is to include tests of the Common Object Request Broker Arrangement ("CORBA") pre-ordering system in the Master

³ *Id.* at 2.

⁴ Comments of ACI at 1-2.

⁵ *Id.* at 2.

⁶ *Id.*

⁷ *Id.*

⁸ Comments of Cavalier at 1.

⁹ *Id.* at 3.

¹⁰ Comments of AT&T at 1.

¹¹ *Id.* at 4.

¹² *Id.* at 5.

¹³ *Id.* at 7-9.

Test Plan.¹⁴ Finally, AT&T recommended that the Metrics be revised to reflect Verizon's new hours of operations and availability that became effective October 23, 2000.¹⁵

In its comments, Ascent raised concerns over the long-term implications of Verizon's advanced services transfer. Ascent asserted that if Verizon's new data affiliate fails to provide advanced services on a wholesale basis as currently required of Verizon, then "long-term prospects for meaningful advanced services competition, let alone local competition, will be increasingly dim."¹⁶

DISCUSSION

Given the delay in beginning the OSS test in Virginia, I find that one of the primary considerations in reviewing Verizon's requested change in the Master Test Plan is whether the change will facilitate the immediate commencement of the test. I agree with WorldCom that it is important to begin the test immediately. Thus, the elimination of products with little or no foreseeable demand in order to facilitate the start of testing may be appropriate. On the other hand, the OSS test must provide adequate breadth and depth to evaluate the entire CLEC/Verizon relationship under real world conditions. Until it is demonstrated that CLECs have nondiscriminatory access to Verizon's OSS, CLEC demand for wholesale products, especially those directed towards mass markets or residential markets, are likely to remain relatively low. Put simply, failure to test Verizon's OSS related products may prevent the development of competition within Virginia.

A second consideration is the FCC's approval of SBC's 271 application for Texas. As Verizon pointed out, the Texas OSS test covered fewer products than the Virginia Master Test Plan.¹⁷ In that case, the FCC appeared to accept actual commercial usage as evidence that SBC was providing nondiscriminatory access to its OSS.¹⁸ Consequently, there may be less need to test products with adequate commercial usage or volumes.

ISDN Products

Verizon seeks to eliminate ISDN products from the test because it expects little growth in demand for these products.¹⁹ Verizon states that these products are being overtaken by xDSL products. Indeed, Verizon predicts that CLECs will begin to migrate their ISDN base to xDSL. NAS, ACI, and Cavalier counter with forecasts of increasing demand for ISDN. As NAS

¹⁴ *Id.* at 9-11.

¹⁵ *Id.* at 11-12.

¹⁶ Comments of Ascent at 1.

¹⁷ Verizon's September 29, 2000, request to modify the Master Test Plan at 1-2.

¹⁸ *In the Matter of Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc., d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Service in Texas*, CC Docket No. 00-65, FCC 00-238 (June 30, 2000).

¹⁹ Verizon's September 29, 2000, request to modify the Master Test Plan at 2.

explains, ISDN loops are used to provide IDSL service where “the loop contains more than 18,000 feet of copper or is provisioned through a digital loop carrier.”²⁰

Based on the comments from NAS, ACI, and Cavalier, I find that the Master Test Plan should include the ordering and provisioning of an ISDN loop to be used for IDSL service where the loop contains more than 18,000 feet of copper or is provisioned through a digital loop carrier. The exact nature and form of this test should remain open and will depend on resource availability and the state of Verizon’s OSS. However, with this exception, I agree with Verizon that the ISDN products should be removed from the Master Test Plan.

xDSL Resale Products

Verizon asserts that in approving the Bell Atlantic/GTE merger, the FCC required Verizon to move its retail xDSL services into a separate data affiliate.²¹ As a result, Verizon claims that it will no longer offer xDSL on a resale basis. Therefore, the Master Test Plan should be adjusted to eliminate the resale of xDSL products. Most of the other commentors argue that Verizon’s proposal is premature. They contend that the question of whether Verizon continues to have a resale obligation for xDSL products has not been decided. Thus, these products should remain in the test.

Whether Verizon continues to have a resale obligation for xDSL products should be decided during the course of the test. If before the end of this test it is decided or becomes evident that Verizon is likely to continue to be required to offer xDSL products on a resale basis, then tests will be made of Verizon’s resale of these products. Until then, based on currently available information, resale of xDSL products should be removed from the Master Test Plan.

Digital Handoff/DS1 Products

Cavalier is correct in that the Master Test Plan does not define digital handoff/DS1 products. According to KPMG, digital handoff/DS1 products were intended to be circuits that provide a direct digital connection between a digital Private Branch Exchange (“PBX”) and the Verizon Central Office.

Verizon avers that “there is no real marketplace demand” for these products.²² Further Verizon suggests that inclusion of these products in the test only serves to “extend the time and increase the cost of the test.”²³ None of the commentors offered any information to the contrary. Therefore, I agree with Verizon that these products should be eliminated from the Master Test Plan.

²⁰ NAS Comments at 1.

²¹ Verizon’s September 29, 2000, request to modify the Master Test Plan at 2.

²² *Id.*

²³ *Id.*

Business Centrex UNE-P

Though Centrex has “appreciable demand” as a resold product, Verizon states that it “anticipates little or no demand for this product in the UNE-P configuration.”²⁴ None of the commentors disputed this claim. Therefore, this product can be eliminated from the Master Test Plan.

AT&T’s Proposed Changes

AT&T proposes changing the Master Test Plan to require root cause analysis for any problem uncovered during the test and to include tests of CORBA.²⁵ Both of these proposals were made by AT&T and considered in the May 31, 2000 ruling adopting the Master Test Plan. Nonetheless, AT&T offers additional arguments and information in support of its reconsideration.

In support of requiring a root cause analysis for any problem uncovered during the test, AT&T points out that the Pennsylvania PUC adopted such a requirement for its test. Thus, Verizon should be accustomed to providing root cause analysis. Moreover, AT&T argues that a root cause analysis allows KPMG to verify that the underlying problem “has been cured, rather than missed or masked.”²⁶

The OSS test is designed as a “military-style” test. That is, KPMG will test until Verizon passes. Exceptions, or problems discovered by KPMG, as well as Verizon’s response, will be reported during the course of the test. AT&T and other interested persons will have an opportunity to monitor and comment on the test as it unfolds. Depending upon the problem discovered, analysis of the underlying cause may be appropriate. However, I find that adopting a formal root cause analysis process for every KPMG Exception would be an unnecessary administrative burden likely to prolong or delay the testing process.

Regarding CORBA, AT&T’s earlier request for testing of this electronic interface developed by AT&T was denied. Nonetheless, that ruling left open the possibility of testing CORBA “[i]f other CLECs move to implement CORBA, or if CORBA fails to meet performance Metrics.”²⁷ AT&T now contends that its experience in other states during April, May, and June shows that CORBA consistently has failed to meet its performance standards.²⁸

While I continue to hold that testing of CORBA may be necessary, based on a review of the data submitted by AT&T to date, I find that such testing should not be included in the Master Test Plan at this time.

In addition, AT&T offers a modification to the Metrics to reflect new hours of operations. I agree with AT&T that the Metrics should reflect Verizon’s current hours of operation.

²⁴ *Id.*

²⁵ Comments of AT&T at 7-11.

²⁶ *Id.* at 8.

²⁷ Project Leader Ruling Adopting Master Test Plan at 16 (May 31, 2000).

²⁸ Comments of AT&T at 10.

CONCLUSION

In summary, I adopt the modifications to the Master Test Plan and Metrics as described above. The Master Test Plan and Metrics, revised as of November 1, 2000, will be posted on the Commission's OSS web page. With these changes, Verizon and KPMG are hereby directed to begin the OSS test for Virginia.

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Hearing Examiner/Project Leader